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24 October 1972

MEMORANDUM FOR: Assistant Deputy Director for
Intelligence

SUBJECT : Department of Commerce Request

REFERENCE : Memorandum For Record dated 24 Oct 1972

1. We can honor the requests made by Mr. Letson in the reference memorandum with a minimum of work. The material he wants on possible shipments of grain diverted to North Vietnam has already been compiled and can be provided Mr. Letson with the appropriate caveats. With respect to shipments of grain from the US to the Soviet Union, we are following this trade in as much detail as possible as a by-product of our normal work. A monthly typscript memorandum could be sent to Commerce detailing the ships in the trade, their cargo, and ports of call. Such a memorandum could be produced at the Confidential level. There would, however, be a rather substantial time lag in this reporting; we will not have most of the details for shipments in September until the end of October.

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Deputy Director
Economic Research

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[Items appearing on this page are being talked about in Washington or other news centers]

The Courting of George Wallace... Scarce Russian Wheat for Hanoi... Will Rockefeller Make It 20?

From an "old pro" in Democratic ranks on Capitol Hill: "Harry Truman, Lyndon Johnson or Jack Kennedy, given all the issues that George McGovern has, would have had a red-hot, blistering campaign going by now, but the McGovern team just cannot get this thing off the ground."

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George Wallace's intimates report the Alabama Governor is the "most-courted politician" in the country—wooed daily by both the Nixon and McGovern camps and the American Party's John Schmitz. The Wallace organization itself—looking toward 1976—is advertising extensively in Michigan, Mississippi and Texas newspapers, seeking a million new subscribers to the Alabamian's campaign newsletter, at \$10 a year.

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From Republican leaders in Congress the White House is getting fairly optimistic reports on prospects for wresting control of the Senate from the Democrats. States listed as best bets for pickup of seats now held by Democrats are Rhode Island, New Mexico, Oklahoma, North Carolina and Georgia. Described as "possibilities" are Alabama, Virginia and Louisiana—a State where the Democrats may lose votes to former Governor John McKeithen, running as an independent.

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A prominent American who has access to the latest information on trends inside Red China reports that top Chinese officials now have two reactions to Soviet Russia: "hatred and fear." These reactions show through whenever conversations with these officials get around to almost any aspect of China's relations with the U.S.S.R.

As part of the deal in which the Boeing Company is selling 10 jetliners to Communist China, Boeing will conduct ground training of Chinese crews in Seattle and flight training in China. Chinese also will be involved in inspection and production programs. Between 50 and 100 Chinese are expected to come to the U. S.

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The authoritative California Poll reports sentiment in favor of the death penalty at its highest point since the poll began surveying public opinion on that issue in 1956. Latest survey showed 66 per cent backing capital punishment, compared to 58 per cent in 1971, 65 per cent in 1969 and 54 per cent in 1966. Californians will decide on November 7 whether to try to reinstate the death penalty.

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Russia, having just bought massive quantities of grain from the U. S. to alleviate domestic shortages, is shipping wheat to North Vietnam. Intelligence sources say four Russian ships recently unloaded supplies of wheat at the Chinese port of Ch'in-Chou, to be moved overland to North Vietnam, avoiding the U. S. naval blockade.

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Top Nixon men now cast doubts on reports that New York's Governor Nelson Rockefeller wants to be Defense Secretary if there is a second Nixon Administration. Mr. Rockefeller is said to have hinted that he may decide to run for a fifth term in Albany. When his present term expires in 1974 he will have served 16 years as Governor—far more than any predecessor in that office.

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An ironic footnote to the Olympic Games massacre at Munich: The

Egyptians, now embroiled in a bitter dispute with the West Germans over the tragedy, had been working hard to win good will in Western Europe, particularly in West Germany. When their relations with Russia chilled, the Egyptians began looking to Western Europe for friendship, possible economic partnership and support in eventual peace negotiations with Israel. However, Arab terrorists changed things.

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Some Administration insiders say that Walter E. Washington, Negro Commissioner of the nation's capital, is favored to succeed George W. Romney as Secretary of Housing and Urban Development if President Nixon is re-elected. Mr. Washington, a Democrat, was appointed to his present mayoralty job by Lyndon Johnson in 1967 and then reappointed by Mr. Nixon.

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Word is beginning to leak from the White House that the idea of a value-added tax as a substitute for some local property taxes is losing favor with Mr. Nixon. Many of the President's supporters in business as well as labor-union members he hopes to attract oppose the VAT as nothing more than a national sales tax.

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At a U. S. scientific exhibition in Russia, a Soviet woman asked an American guide how high the Empire State Building is and whether it has hot and cold running water at the top. When her questions were answered, the woman shouted: "If you can have hot and cold running water that high, why can't I have running water on the second floor in Kiev?" Other Soviet citizens quickly hustled the woman away.